



## **TBL Programs In Review**

### **Spokane, June 18, 2004**

#### Questions, Answers & Comments

- Q1: What is the opportunity for more borrowing – how much more is available?  
A: We will run out in 2008-9.
- Q2: What is the current level of FTE (employees)?  
A: In 2005 we are at 2035.
- Q3: How much of current level is ops and line crews?  
A: Less than 50% is Field Services 920/2000 (TF).
- Q4: Do we have a sizeable contract workforce?  
A: In FY04 TBL has 457 contractors but plans to reduce this to 264 by FY05 which will be stable through FY07.
- Q5: Are the Starbuck and Wallula projects cancelled? Are they still in the long-term firm transmission queue?  
A: Wallula was offered a transmission service agreement and declined. They were removed from the Transmission request queue.  
Starbuck is still in the queue but was moved to the bottom of the transmission queue after they were unable to participate in funding for the McNary-John Day project. Their transmission request crosses many constrained paths.
- Q6: How are you proceeding with clearing the queue?  
A: We continue to respond to those in the queue as quickly as possible and will be leveraging an open season on McNary-John Day to move even more quickly through the queue.
- Q6b: What are the specifics for the Open Season for McNary-John Day?  
A: Looking for earnest money, financial consideration with indication of interest, to suggest real/or not real. Go thru 60 day process to determine. Details not determined. Information is now available at  
<http://www.transmission.bpa.gov/newsev/view.cfm?ID=211&type=notice>
- Q7: How will flowbased ATC impact desires for McNary-John Day?  
A: There can't be impacts on constrained paths other than flow over West of McNary or West of Slatt.
- Q8: Will we replace wood poles with steel?  
A: Possibly, this work is a good candidate for contracting.
- Q9: If there was re-integration between the two BL's, would bldg still be needed?  
A: Yes, sizing may be different, but would still be needed.
- Q10: Why the increase in Ancillary services from \$283 – 322 million?  
A: A result in the increasing costs power we buy from PBL to operate the system.
- Q11: Do we foresee financial settlement for losses?

- A: This would be discussed in a rate case, if we do it.
- Q12: Where does revenue from sale of facilities such as sub-stations go? Retired debt?
- A: Yes.
- Q13: Where does Oasis fall, under the Scheduling program?
- A: Yes.
- Q14: Has BPA looked to procure ancillary services from other providers?
- A: This will come up as a rate case issue. Last rate case redispatch was for NT only, with curtailment for PTP. Other customers want redispatch for PTP as well. Will have to decide how to do before rate case and will discuss in upcoming rate case workshops.
- Q15: Are additional NERC/WECC requirements being budgeted for?
- A: We have a placeholder of about \$20M in the capital program.
- Q16: When will we know what the NERC or WECC requirements?
- A: Don't know – NERC has not determined yet. However, we are hoping by August 2004.
- Q17: How is BPA affected by Sarbanes-Oxley?
- A: While BPA is not subject to the Sarbanes-Oxley Act of 2002 in the same manner or degree as companies subject to SEC regulation and oversight, we will continue to assess S-O to determine its impact and level of BPA voluntary compliance that meets our business and governmental responsibilities in the most cost effective and efficient manner.
- Q18: In looking at long range planning – 5-10 year growth - where is building to be done for additional transmission (generators need transmission). What do you see BPA doing?
- A: BPA will try to compile small generators to get a critical mass to get transmission built in specific areas. For example, McNary-John Day. It is a dilemma for someone that needs 50 MW, but the line needs to be 1200MW to be cost effective to build.
- Q19: How much money for working toward RTO?
- A: About \$4M in FY06 and \$2.9M in FY07. If transmission operating agreement is implemented, there may be a bump up.
- Q20: Has TBL forecast an increase in loads?
- A: TBL is forecasting a 1.5% increase in loads.
- Q21: Have firm redirects cut into business?
- A: Yes.
- Q22: Were DSI's a major hit to revenue?
- A: Yes. About 1,000 MW of long-term contracts were not renewed.
- Q23: What is the chance of going back to being a single entity?
- A: TBL will remain FERC compliant, we will not look like we did before, but we are looking at efficiencies in bringing the two business lines back together. PBL and TBL have fundamental differences where PBL looks at preference and TBL does not. We will need to meet Standards Of Conduct but can still become more efficient.

COMMENTS:

- C: Has TBL thought about consolidated Queuing? Build on Avista system and impact on other systems. Need better regional planning.
- C: More interest in customer response and help, compliment on BPA stepping up and helping resolve issues. (Avista)